C PRESERVED

App. F. IX-4

Previous References 1936.. (97) 97 . File No. 216-36
Serial Nos. 1-2

Letter References.

Preserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. two

P-6-E

Part B for May 1937

SUBJECT.

Re Custody of mortgage Bonds
for Industrial Loans

Re 2 do. Re Employees Mortgage
G.O. 6406 dated 6.4.37

WD 0418—GPB—22,500—23-8-36

G.2 210-36-1

Fin... 31 JAN. No.....

In reply please quote reference No. 599/Loans.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 28th January *193* 7.

1 FEB. 1937 2752 CENL. & REV.

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.

To

Rajaseva Nipuna
S. Shamanna, Esq., B.A.,
Financial Secretary to the Government
of Mysore, Bangalore.

SIR,

I have the honour to state that all mortgage ~~lands~~ bonds pertaining to house building, motorcar or other advances made by Government are being kept in the safe custody of the District Treasury Officers till the discharge of the loans in conformity with the provisions contained in Article 167 Mysore Civil Account Code, Volume I. The Director of Industries and Commerce in Mysore, Bangalore, who was requested in this office letter No.91/M.A.D. dated 22-7-1936 to intimate whether the mortgage bonds obtained from the borrowers of Industrial loans are being sent to the District Treasuries for safe custody, state in his reply No.E.1G1.1649/36-37 dated 10-8-1936 that the above bonds are not from the beginning i.e., since the introduction of the Loan Rules, being sent to the Treasury for safe custody but are kept in his office only under the safe custody of the Cashier, to facilitate taking copies of the bonds for being sent to the Deputy Commissioners for taking needful action when arrears of the loans are ordered to be recovered as an arrear of land revenue. Even a certificate to the effect that the necessary mortgage bonds have been got executed by the borrowers and kept in safe custody is not being recorded by him on the loan payment orders issued for payment on treasuries. This at least seems necessary in the case of payment of Industrial loans also as in the case of Sericultural Takavi loans. I requested the Director in this office letter No.294/Loans dt.

letter No.294/loans dated 21/23-9-1936 to arrange to record in future such a certificate on all the loan payment orders before the loan amount is actually disbursed and also to intimate why copies of the bonds may not be kept in his office for purposes of references, the originals being deposited in the Treasury. He finally states in his reply No.E.1.Mis/36-37 dated 6-1-1937 that he is not in favour of the procedure of sending the bonds to the Treasury for safe custody being adopted for the reason that in majority of the loan cases, bonds have to be referred to, more than once either to adopt coercive action for the recovery of the arrears or to revise the terms of the payment of loan arrears when loan holders pray for any concession. (copies of this office letter No.294/Loans dated 23-9-1936 and reply thereon from the Director are also enclosed for reference). These facts are brought to the kind notice of Government for information and for passing such orders as may be deemed fit pending receipt of which the existing practice will be continued.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

S.S: Article 167 M.C.A.C. vol I and

Prescribing the Custody of Mortgage Bonds

with the D.P. Treg. officers refers to

"all mortgage bonds pertaining to House

Building, motor Car or other advances

to the Government servants, advances made by the Dist officers

should also be held as covered by this rule.

But in respect of this forum two of

Custody of Mortgage bonds for Industrial Loans.

General and Revenue Secretariat | G.T. File No. 210 of 1936 7752/30 [App. F. III—2

Serial No.

Motor Car & House Building, the officer who disburses the advance takes custody of the necessary documents and it is but natural for him to hold custody of the Deeds in his official capacity of D.F.O.

3 It is not so with the Dir of Ind & Com. There appears to be good reason for the Director to demur to the arrangement of sending documents to the Comptr for custody. Under the circumstances, a certificate as at 'A' above would seem to suffice, as in the practice for Agricultural Takavi Loans. But the Director does not state anything in this behalf on reply to the Comptr's letter. Vide Copy encl to P.W.D. A certificate may be asked to be furnished. Then redraft for order.

K. Mr Bright 16/2

4 16/2

7/5/2

The Comptroller has raised the following two points:--

(1) Whether the Mortgage Bonds obtained by the Director of Industries and Commerce, in respect of Industrial loans, which are now being retained in the Director's office, should not be sent to the treasuries for safe custody, as [redacted] in the case of mortgage bonds relating to House Building and Motor car advances.

NOTE—Contn. Sheet.

WD 0417—G13—30,000—8-9-36

Custody of mortgage bonds for Industrial Loans

File No. 27(2)/2 of 193 . | General and Revenue Secretariat

Serial No.

(2)Whether a certificate that"the necessary mortgage bonds have been executed by the borrowers and the same have been kept in safe custody" should not be recorded by the Director on the loan payment orders issued for payment at Treasuries.

Regarding(1), the Director states that the present procedure is convenient and the Comptroller has not pressed for a change. The present procedure of retaining these bonds in the Director's office may therefore be allowed to be continued.

OF SECOND ML. SCIL. NO 6706 37

As regards(2), the Director's reply is silent on the point. The certificate referred to in (2)is necessary and is being furnished in respect of sericultural loans. The Director will therefore be asked to furnish this certificate in respect Industrial and other loans relating to his department.

Second Member) 27/3

I agree
30/3/37

Draft letter above put up
For approval
JW 31/3

No JC Secy's D.O. 37 to the Complete statistics under the documents may remain in the Dir's office but a certificate shld be recorded on loan payments orders [illegible] as required.
Copy of Dir's D.O. to be put up
" " Dy. Secy.

Appendix F G—1]

SUBJECT.....

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Section C.T

File No. 210-36

Serial No. 2

Diary No. of letter replied to.....

No. JA6494

To The Comptr.

Sir.

General and Revenue Secretariat

( )

the *193*

With reference to your letter No. 599/Loans of 28.1.37 I am directed to state ~~it is doubtless~~ desirable that the mortgage bonds relating to the Industrial Loans ~~consent by the Dir of Pre to~~ the Dr Treasurer for safe custody (as required by the rules) If not complied to be done. However, it cannot be done so, & a certificate that the mortgage bonds have been executed by the borrowers & kept in safe custody" ~~stands~~ may be recorded by the Dr on loan payment orders issued for

Date of issue 6/4/37

Signed by Mr KV Rao

may continue to remain in the ~~Dist~~ office, on the Dir as he says that this arrangement is convenient & you do not press for a change in it & (2) [A]

the documents may continue to be kept in the Director's office only

List of enclosures.....

Copied by .....

Examined by.....

WD 03601—GPB—30,000—23-9-35

Payment on Orders] A-

Branch.

W/15/1 Hdq 1/4

Copy to Dir of Sec Wk supplies
for necessary action

" to Dep. Postmaster.

HK WK
15/1

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. 6606 / 37

Dated, Bangalore, 5th April *193*7

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government,
Bangalore.

Sir,

With reference to your letter No.599/Loans dated 28th January 1937, I am directed to state that (1) the mortgage bonds relating to the Industrial Loans may continue to remain in the office of the Director as he says that this arrangement is convenient and you do not press for a change in it and (2) a certificate that the necessary mortgage bonds have been got executed by the borrowers and kept in safe custody" may be recorded by the Director on loan payment orders issued for payment on Treasuries.

I have the honour to be,

Sir,

Your most obedient servant,

K Venkata Ram

Financial Secretary to Government.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. 6406

Dated, Bangalore, 5th April *193*7.

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government,
Bangalore.

Sir,

With reference to your letter No.599/Loans dated 28th January 1937, I am directed to state that (1) the mortgage bonds relating to the Industrial Loans may continue to remain in the office of the Director as he says that this arrangement is convenient and you do not press for a change in it and (2) a certificate that the "necessary mortgage bonds have been got executed by the borrowers and kept in safe custody" may be recorded by the Director on loan payment orders issued for payment on Treasuries.

I have the honour to be,
Sir,
Your most obedient servant,
Sd/- S. Shamanna,
Financial Secretary to Governmen

Memo No. 6407

Dated, Bangalore, 5th April 1937.

Copy of the above is forwarded with compliments to the Director of Industries and Commerce for information and necessary action.

By Order,

K Venkata Rao
Financial Secretary to Government

Letter No.294/Loans dated 22-9-1936 from the Comptroller to the Government of Mysore, Bangalore, to the Director of Industries and Commerce in Mysore, Bangalore.

With reference to the correspondence ending with your letter No E1.Gf.1649/36-37 dated 15-8-1936 regarding the execution and custody of mortgage bonds in respect of Takavi and Hire purchase loans, I have the honour to request that you will be so good as to arrange to record in future, a certificate to the effect that the necessary mortgage deeds have been got executed and kept in safe custody (as given in the case of Sericultural Takavi loans) on all the loan payment orders before the loan amount is actually disbursed.

As regards the custody of the bonds, I request that information may kindly be furnished on the following points. -

1. How many cases of loan bonds have been referred for recovery etc, each month during 35-36.

2. Why copies of the same may not be kept in your office for purposes of references, the originals being deposited in the Treasury.

The favour of an early reply is requested.

Letter No.E1.Mis/36-37 dated 6-1-1937 from the Director of Industries and Commerce in Mysore, to the Comptroller in Mysore Bangalore.

Custody of Loans Bonds.

With reference to your letter No.294/Loans dated 23-9-1936 and subsequent reminder dated 22-12-1936 thereon, I have the honour state that as many as 85% of the loan cases are overdue and in majority of the cases bonds have to be referred to more than once either to adopt coercive action for the recovery of the arrears or to revise the terms of the payment of loan arrears when loan holders pray for any concession.

As the arrangement for keeping the bonds in this office for safe custody has not presented any difficulty. I am not in favour of the present procedure being continued.

"Copy"

28/1/37